Meeting Discussion Guide

October 2-3, 2014
with Meeting Notes

Vision

By 2025 Alaskans will be the healthiest people in the nation and have access to the highest quality, most affordable health care.

We will know we have attained this vision when, compared to the other 49 states, Alaskans have:

1. The highest life expectancy
2. The highest percentage population with access to primary care
3. The lowest per capita health care spending level

Welcome & Introductions

Bridging to the Next 3 Years:
The Commission's Role & Next Steps

Review:
Process & Progress

Statutory Authority

- " The purpose of the commission is to provide recommendations for and foster the development of a statewide plan to address the quality, accessibility and availability of health care for all citizens of the state." AS 18.09.010

  - Temporary body 2009; Statute enacted 2010
  - Advisory in nature
  - 14 members, appointed by Governor except for 2 leg.s
  - Policy recommendations due annually (January 15) to Governor and Legislature

Process & Progress To-Date

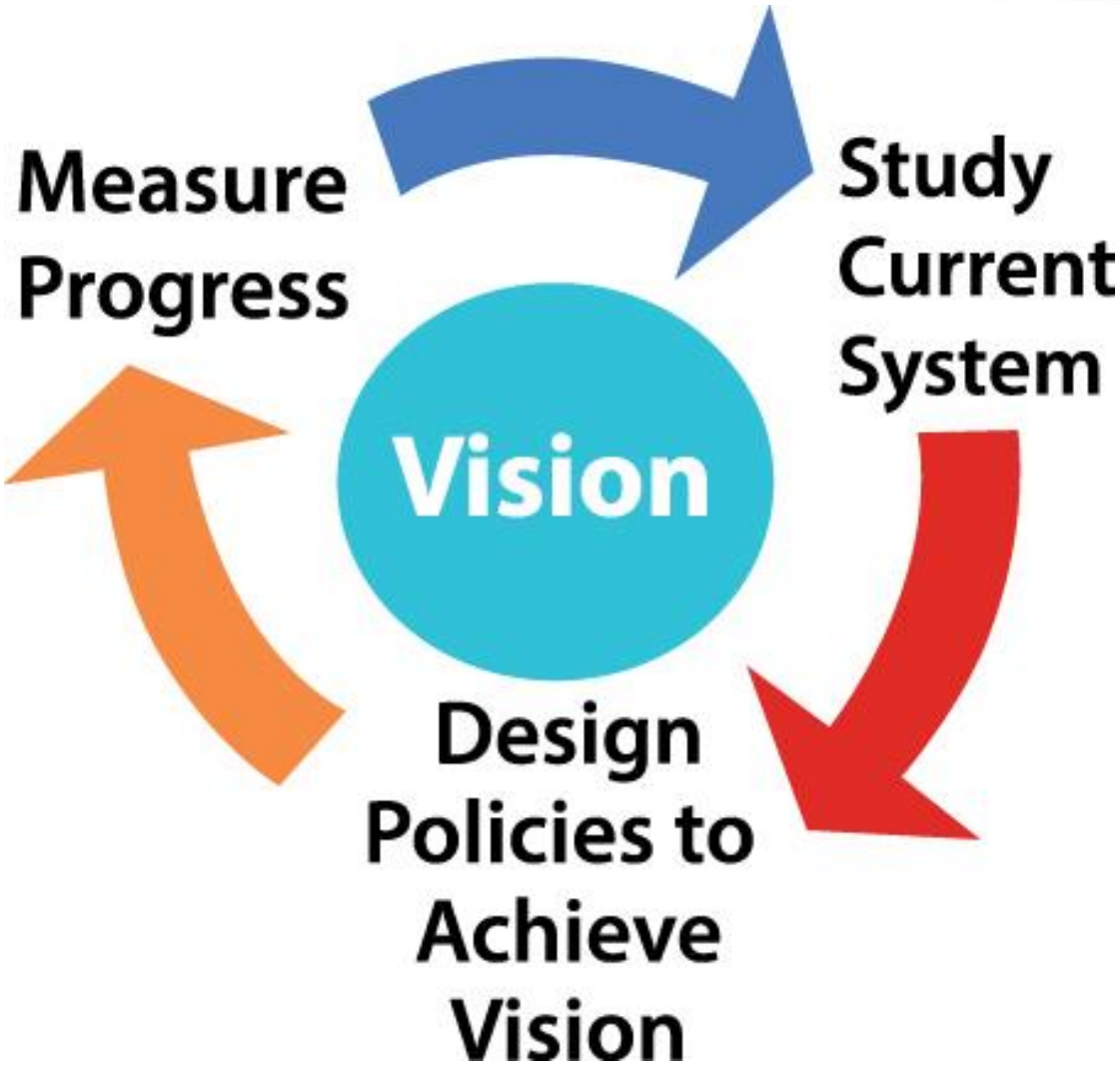
- Role
  - Commission: Study & Advisory to State Government
  - Commission Members:
    - Bring perspective and experiential knowledge of sector represented; and,
    - Represent community good – the best interests of all Alaskans

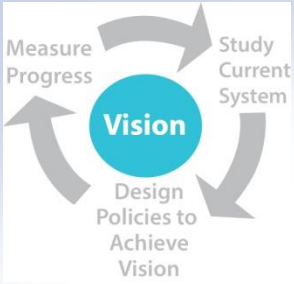
- Focus
  - Acute Medical Care
  - Value Equation (Cost & Quality)
  - Statewide; System-wide
  - State Government Policy; Acceptable Government Role
  - “What” (policy), not “How” (implementation/operations)
  - Proactive, not Reactive

Process & Progress To-Date

- Approach:
  - Knowledge Development: Expert presenters & local panels on annual agenda topics at each meeting
  - Group Process:
    - Brainstorming and consensus to derive findings and recommendations
    - Robert's Rules for formal votes
  - Public process:
    - All meetings open to the public; noticed and advertised
    - Public testimony at each quarterly meeting
    - Written public comment during November on official Finding and Recommendation Statements, and plans for following year

Planning Process





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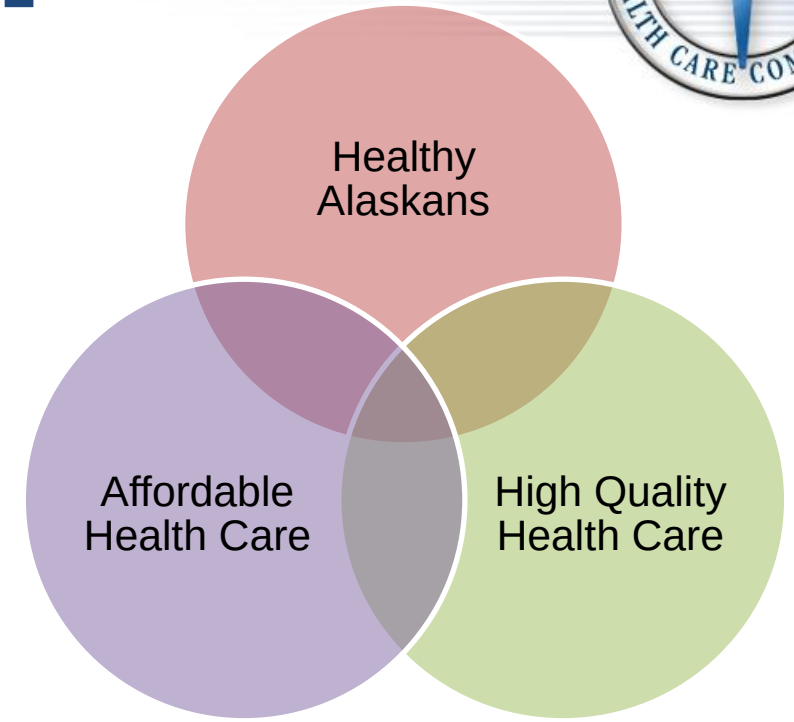

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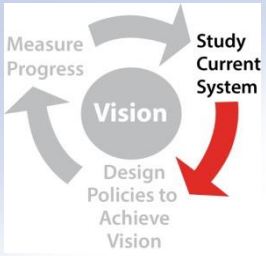
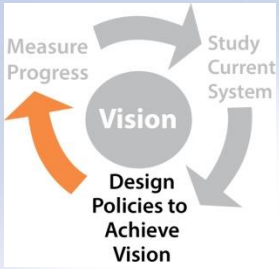


Commission Studies of Alaska's Current Health Care System

Study	Consultants	Annual Report
Description of health care system structure & financing	AK DHSS Staff	2009
Discussion of current health care system challenges	AK DHSS Staff	2009
Overview of Affordable Care Act	AK DHSS Staff	2010
Impact of Affordable Care Act on Alaska	ISER/MAFA	2010
Economic analysis of health care spending and cost drivers	ISER/MAFA	2011
Actuarial analysis of physician, hospital, and durable medical equipment prices compared to other states and between payers; cost drivers of price differentials (3 reports)	Milliman, Inc.	2011
Actuarial analysis of prescription drug prices compared to other states and between payers	Milliman, Inc.	2012
Impact of malpractice reforms enacted to-date	Expert Witnesses	2012
Government regulation of the health care industry	AK DHSS Staff	2012
Business use case analysis of an All-Payer Claims Database	Freedman Healthcare	2013



Core Strategies

I. Ensure the best available evidence is used for making decisions

II. Increase price and quality transparency

III. Pay for value

IV. Engage employers to improve health plans and employee wellness

V. Enhance quality and efficiency of care on the front-end

VI. Increase dignity and quality of care for seriously ill patients

VII. Focus on prevention

VIII. Build the foundation of a sustainable health care system

Solution-Focused Approach

Central Challenge

Transform Alaska's health care system so that by 2025 Alaskans are the healthiest people in the nation and have access to the highest quality, most affordable health care

Blue shaded policy recommendations require legislation

Green hatch = currently in implementation

Strategies

Policy Recommendations

Cross-Cutting Strategies

II. Increase Transparency	III. Pay for Value	IV. Engage/ Support Employers	V. Strengthen Front-End Care	VI. Improve Care for Seriously Ill Patients
1. Investigate Transparency Legislation	1, 2. Implement Payment Reform; Start with PCMH	1. Increase Transparency thru Legislation & APCD	1-5, 7. Foster & Support Patient-Centric Primary Care	1, 2, 3. Educate Public & Clinicians
2. Mandate Hospital Discharge Data Reporting	3. Develop Data to Support QI & Payment Reform	2. Modify Insurance Payment Regulation	6. Support a Patient-Centered Medical Home Initiative	4. Investigate POLST/MOST Program
3. Establish an All-Payer Claims Database (APCD)	4. Convene a Multi-Payer Collaborative	3. Model Employee Health Management Best Practices	8, 9. Support Trauma System	5. Establish an Advance Directives eRegistry
	5. Reduce Fraud, Waste, and Abuse	4. Reform Workers' Compensation Laws	5. Regulate Dispensing Clinician Practices	6. Foster Telehealth for and Reimburse for Palliative Care

I. Ensure the Best Available Evidence is Used for Making Decisions

VII. Focus on Prevention

VIII. Build the Foundation of a Sustainable Health Care System

Solution-Focused Approach

Blue shaded policy recommendations require legislation

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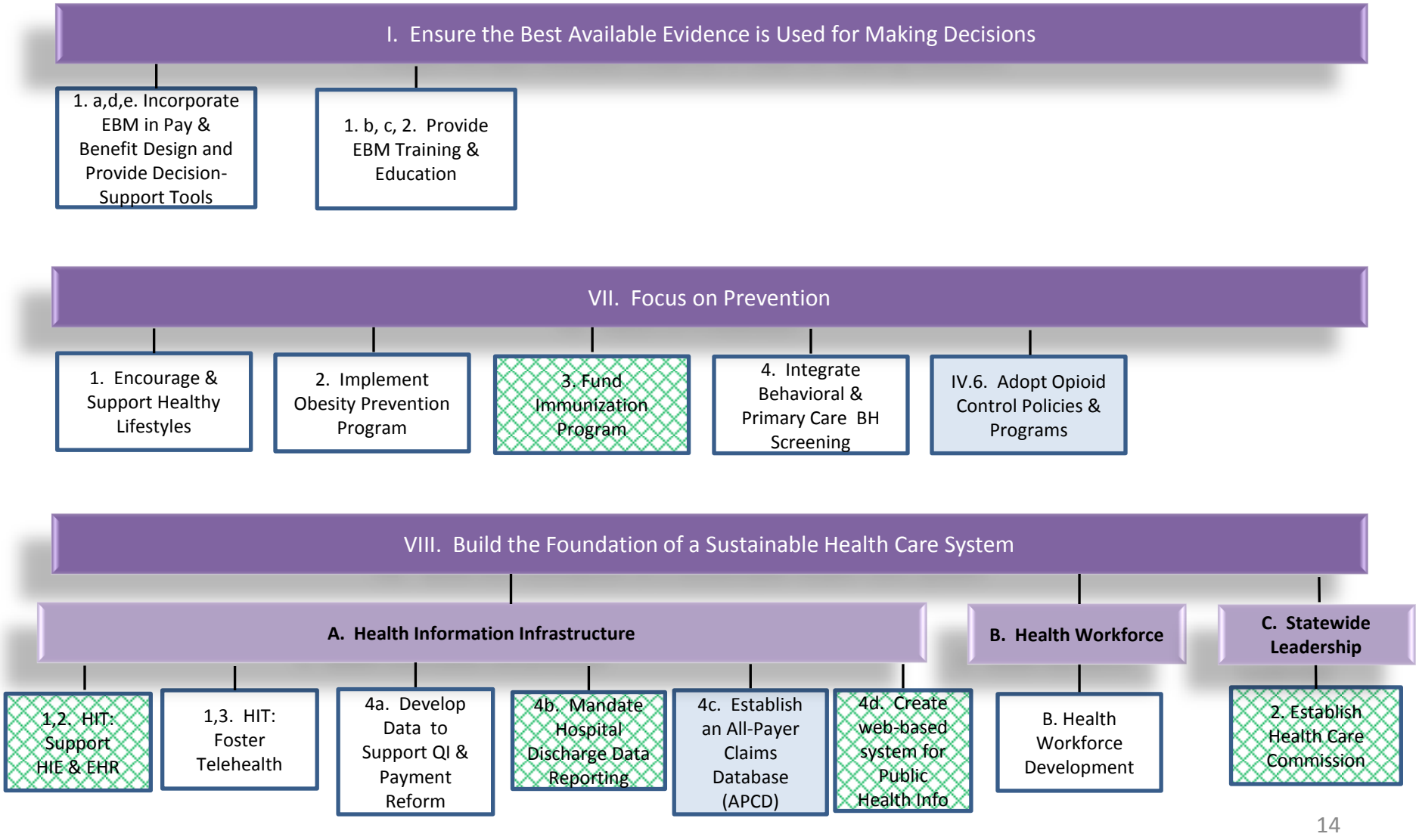
Cross-Cutting Strategies & Policy Recommendations



Solution-Focused Approach

Central Challenge

Foster State government policies that promote increased value – i.e., lower costs and higher quality – in Alaska's acute medical care delivery system.

Blue shaded policy recommendations require legislation

Green hatch = currently in implementation

Strategies

Policy Recommendations

Cross-Cutting Strategies

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I. Ensure the Best Available Evidence is Used for Making Decisions

VII. Focus on Prevention

VIII. Build the Foundation of a Sustainable Health Care System

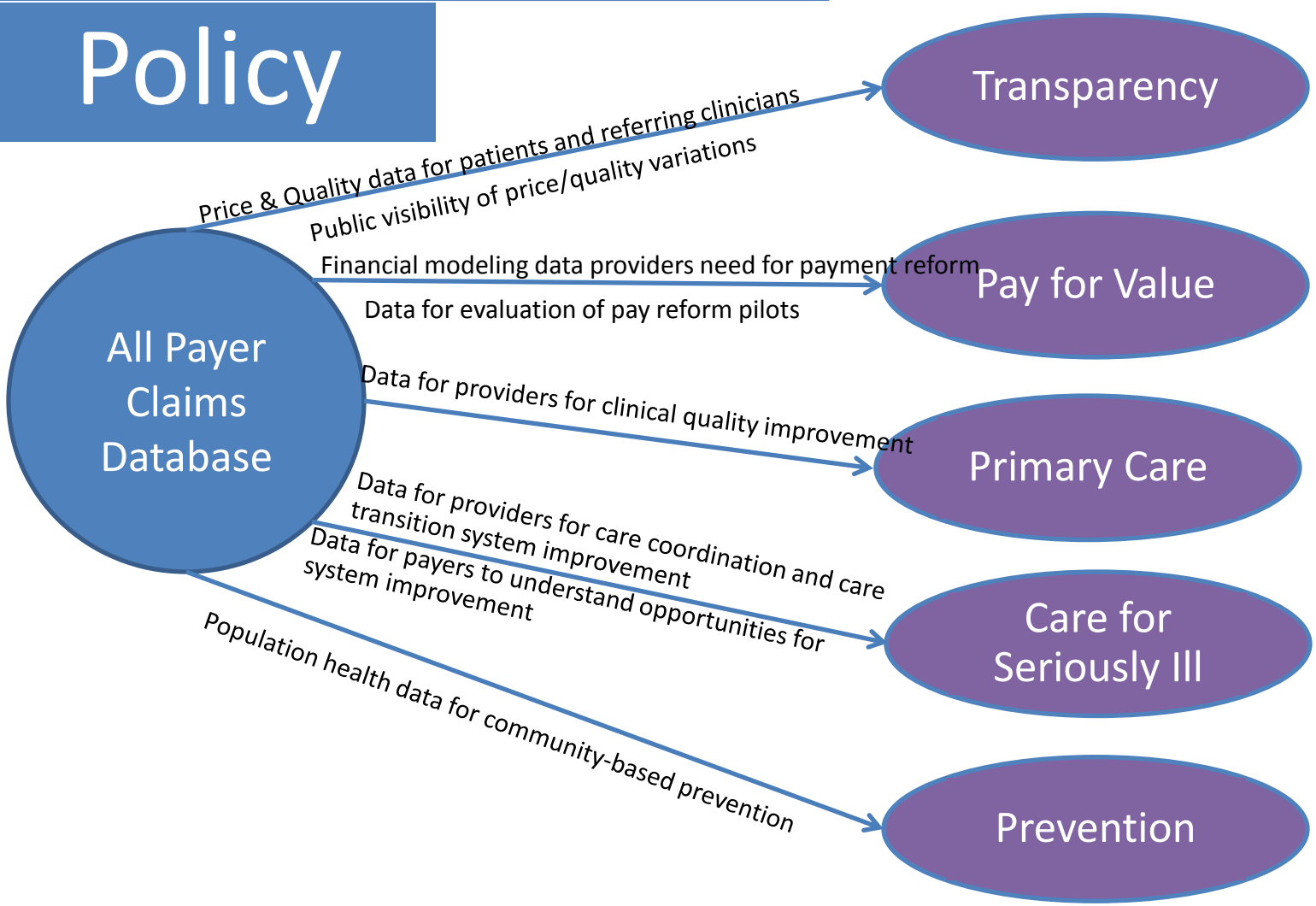
Some Problems are Addressed by Multiple Strategies

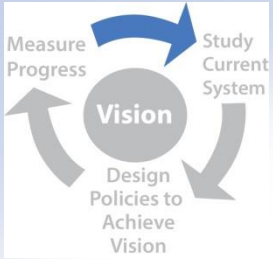
Identified Problems	Applicable Core Strategies
A. Wasteful Health Care Spending	I. Evidence-based Medicine; III. Payment Reform; IV. Engage & Support Employers (as payer partners); VI. Improve End-of-Life Care
B. System Fragmentation; Insufficient Care Coordination and Management; Quality & Safety Issues	III. Payment Reform; V. Strengthen Primary Care;
C. High Medical Prices and Inflation	II. Transparency (for all stakeholders); IV. Engage & Support Employers (w/transparency and insurance reform)
D. Access to Care	VIII. Foundation (Telemedicine); *Increased affordability/sustainability/efficiency through Strategies I thru VI*
E. Insufficient Data (to support multi-purpose and all stakeholder needs)	VIII. Foundation (Info Infrastructure)
F. Population Health Status Concerns	VII. Focus on Prevention
G. Malpractice Insurance Costs & Defensive Medicine	*Malpractice costs addressed in 2005 AK law reforms;* Defensive Medicine: I. EBM, and III. Payment Reform
H. Workforce Availability & Sustainability	VIII. Foundation (Workforce)

Some Policy Recommendations Support Multiple Strategies

Policy

Strategies





Measuring Progress

I. Monitor Implementation of Recommendations

II. Measure Progress Towards Vision Attainment

- *We will know we attained this vision when, compared to the other 49 states, Alaskans have:*
  1. *The highest life expectancy (currently 29th)*
  2. *The highest percentage population with access to primary care (27th)*
  3. *The lowest per capita health care spending (49th)*

- Discuss New Roles
- Identify 2015-2017 Priorities

NOTES 10/2/14: Top Priorities for Commission Action

Motion to release for public comment Commission plans to facilitate implementation of the following policy recommendations during 2015:

I. **Ensure Evidence:** Incorporate evidence-based medicine in pay and benefit design and provide decision-support tools

II. **Increase Transparency:** Investigate transparency legislation

IV. **Engage/Support Employers:** Reform Workers' Compensation laws

VII. **Focus on Prevention:** Encourage & Support Healthy Lifestyles

VII. **Focus on Prevention:** Adopt Opioid Control Policies & Programs

VIII. **Build Foundation/Health Information Technology:** Foster Telehealth

Moved by Bob; seconded by Greg; passed unanimously

NOTES 10/2/14: Facilitation Action Ideas

I. **Ensure Evidence:** Incorporate evidence-based medicine in pay and benefit design and provide decision-support tools

a) Make information available to medical practitioners, insurers
b) Early training for clinicians – collaborate with WWAMI program leaders
c) Convene state agency leaders to facilitate mutual learning sessions and alignment of evidence-based medicine and medical management strategies; and,
d) Begin a series of annual seminars for State of Alaska staff to facilitate understanding of and expertise regarding evidence based medicine.
e) Encourage all state-run health plans, both for employees and social programs, to incorporate evidence-based medicine, beginning with the top 10 procedure codes by cost
f) Arrange for conversations between Alaska health plan administrators and administrators in other states who have successfully implemented evidence-based medicine

NOTES 10/2/14: Facilitation Action Ideas

VII. Focus on Prevention: Adopt Opioid Control Policies & Programs

a. re: Real-time database – sponsor research to identify Medicaid-related expenses that could be ameliorated by real-time database.
b. Convene a meeting with key legislators to discuss real-time database
c. Individual members of Commission testify on legislation as it comes up
d. Prescribing guidelines – the Commission could convene physician/hospital/ER leaders
e. Gather stories to accompany data on the problem of opioid abuse to share with legislators and other policy leaders
f. Invite outside experts to testify

NOTES 10/2/14: Facilitation Action Ideas

VIII. Build Foundation/Health Information Technology: Facilitate Telehealth

- Convene ~~conference with~~ appropriate stakeholders to evaluate the current state of telemedicine in Alaska and identify ways to leverage it – tech, business relationships, bandwidth, payer systems, identify legislation requirements, training requirements, etc.
- Develop actionable plan to address issues identified in stakeholder "conference"

Public Testimony

Employer Response to Employee Health Benefit Study

Questions for Panelists

1. What are your initial reactions to the findings presented in the Summary?
   - Are there any surprises?
   - Do the findings reflect your company's/constituents' experience, or is your experience different?

Questions for Panelists

2. Have you in recent years or are you considering potential future changes in your employee health benefits? For Example:
   - Are you moving away from more traditional, comprehensive plans to High Deductible Health Plans and other new plan designs either in response to current cost challenges and/or because of the impending "Cadillac tax" the Affordable Care Act is imposing on high value health plans in 2018?
   - Are there other alternative ways you are looking at providing medical care for employees? e.g., are you contracting with a primary care clinic to provide care directly for your employees?
   - Do you currently or are you exploring contracting with Medical Centers of Excellence outside of Alaska for certain procedures?

Questions for Panelists

3. How are health care costs in Alaska impacting your non-health care related business decisions?

Conversation with Alaska HR Director Leadership Network

Questions for Panelists

1. What is the Alaska HR Leadership Network? What business sectors do you represent? What is your purpose and approach?

2. Do you have any follow-up or continuing thoughts from the discussion with the last panel?

3. What is the Network's and your individual perspectives on how we could and should all work together to solve the problems you've identified?

Insurance Market Update

Healthy Alaskans 2020 Update
Public Health System Assessment

Fraud & Abuse

Findings and Recommendations

Finalize Draft for Public Comment

Fraud & Abuse Findings

1. Fraud and abuse prevention and investigation are important business practices and should be supported, but will not reform the health care system and will not address the major cost challenges. Realignment of fee structures, creation of more even negotiating fields, and evidence-based practice and coverage are the strategies required for reforming the system to address the major cost challenges.

2. CMS estimates 3-10% of Medicaid spending is fraud. Alaska Medicaid fraud recovery, while currently less than 1%, has significantly increased in recent years. Not reflected in the 1% recovery is the deterrent effect of the increased investigation and recovery effort.

Fraud & Abuse Findings

3. Active collaboration between the Alaska Department of Law, the Alaska Department of Health & Social Services, the U.S. HHS Office of Inspector General, and U.S. Immigration & Customs Enforcement is resulting in significantly increased recoveries and convictions. Since October 2012 when the two State agencies ramped-up collaborative efforts to address Medicaid fraud:
   - Prosecutors presented charges in 93 criminal cases resulting in 62 convictions and saving a total of $12 million for the State of Alaska in the first year alone;
   - The Department of Law Medicaid Fraud Control Unit provided the Department of Health & Social Services Medicaid Integrity Program with information to suspend 7 agencies, and DHSS issued a total of 65 payment suspensions in SFY 2014 based on information from a variety of sources;
   - One large case involved investigating 53 individuals, with 35 convictions and $743,000 in savings;
   - The majority of cases have been home health or personal care attendant providers; and,
   - Another large case currently pending involves a single physician accused of fraudulently billing more than $1 million over the course of four years.

Fraud & Abuse Findings

4. The Medicaid Fraud Control Unit currently has a backlog of cases that could be alleviated with additional staff support.

5. The State is sometimes unable to recover public funds lost through fraud. Requiring bonding and/or strengthening state seizure law could increase the State's ability to recover funds found to be paid for fraudulent claims.

6. The new Medicaid Recovery Audit Contractor (RAC) Audit program required by CMS under the Affordable Care Act is not working in Alaska. Alaska's Medicaid RAC contractor recently suspended performance of audits under their contract because they were not able to generate income in our state due to the difficulty with aligning the DRG payment focus of the RAC audit process with Alaska's fee-for-service payment structures.

Fraud & Abuse Findings

7. State audits performed by Myers & Stauffer under AS 7.05.200 do not generally identify criminal activity, but one recently identified fraud case will result in $1 million savings for the State. These audits have identified over $5 million in overpayments since October, 2012, so this program is beneficial.

8. Fraudulent providers are exploiting vulnerabilities in the system.
   - ~~Recipients~~ Medicaid beneficiaries have no financial incentives to provide a check on potential fraudulent practice by their providers, and also do not receive an Explanation of Benefits statement as a patient on private insurance does and so cannot verify services billed on their behalf.
   - Lack of enrollment of some rendering provider types creates avenues for fraudulent providers caught under one provider type to continue billing for services under another provider type.

Fraud & Abuse Findings

9. Abuse of prescription opioid narcotics is not only a critical health concern, as documented by the Alaska Health Care Commission in 2013, but is also a significant source of fraud and abuse in the health care system. Alaska's current Prescription Drug Monitoring law creates barriers that restrict the Department of Law and the Department of Health & Social Services from accessing the data and using it to identify potentially fraudulent or abusive prescribing practices and doctor-shopping by patients.

Fraud & Abuse Recommendations

I. The Alaska Health Care Commission recommends the Commissioner of the Department of Health & Social Services increase efforts to address fraud in the Medicaid program and streamline audit processes for providers by:

a) Establishing regulations to enroll all rendering provider types as Medicaid providers.

b) Repurposing discretionary audits performed by Myers & Stauffer under AS 7.05.200 to target provider types that pose the greatest risk of overpayment, and to relieve providers who demonstrate compliance.

c) Implementing procedures to reduce the cycle time from audit notification to providers through final report issuance, and to improve communication with providers so that they have on-line access to information on the status of audits.

d) Providing Explanation of Benefits statements to Medicaid recipients, with education about their obligation to notify the department in the event of a statement of payment for services they did not receive.

e) Requesting a waiver from CMS from the Medicaid Recovery Audit Contractor program requirement established under the Affordable Care Act.

Fraud & Abuse Recommendations

II. The Alaska Health Care Commission recommends the Commissioner of the Department of Health & Social Services and the State Attorney General continue to strengthen coordination and collaboration between the Medicaid Fraud Control Unit, the Medicaid Integrity Program, DHSS Medicaid operating divisions, and federal fraud investigation and control programs.

III. The Alaska Health Care Commission recommends the legislature fund and the Governor support expanded capacity in the Department of Law Medicaid Fraud Control Unit to investigate and prosecute criminal fraud cases.

Fraud & Abuse Recommendations

IV. The Alaska Health Care Commission recommends the legislature:

a) Strengthen state seizure laws, and consider bonding requirements for certain high-risk Medicaid providers, to increase recovery of Medicaid funds lost to fraud.

b) Provide the Medicaid program the authority to adjust future payments to providers who have past-due obligations to the program.

c) Remove statutory barriers to Department of Health & Social Services and Department of Law access to and use of the Prescription Drug Database for fraud identification and statewide drug abuse prevention efforts.

d) Create a more robust prescription drug control program by ensuring financial support to continue the program, and supporting upgrade of the database to real-time functionality to identify and prevent doctor-shopping practices.

Fraud & Abuse Recommendations

V. The Alaska Health Care Commission recommends the Commissioner of the Department of Health & Social Services continue efforts to increase medical management to address waste in the Medicaid program, such as through:

a) Expansion of prior authorization requirements for medical necessity for services, and establishment of user-friendly and efficient prior authorization processes for providers.

b) Establishing pre-payment review for providers who have billed for services inappropriately in the past, and providing education and technical assistance to assist providers with learning proper billing practices.

c) Streamlining Service Utilization Review procedures to target information gathering to outlying procedures, and discontinue the burdensome practice of requiring all patient data when an outlying procedure is identified.

d) Implementing a care coordination program for beneficiaries who over-utilize emergency room services.

e) Tightening review of Medicaid travel for compliance with program requirements.

f) Investigating beneficiaries who pay cash for prescriptions for controlled substances, potentially with the intent of making the purchase more difficult to track, to ensure the drugs were not diverted for improper or illegal use.

g) Implementing electronic verification of Personal Care Assistant and Waiver services.

NOTES 10/3/14: Fraud & Abuse Findings and Recommendations

Motion to release as draft for public comment the Fraud & Abuse Findings and Recommendations, with the noted clarification to Finding #8.

MOVED by Lincoln

2nd by Bob

Passed Unanimously

NOTES 10/3/14: Reflections on Yesterday's Meeting

- Discussions we had with the HR Directors brought home that we aren't on an island alone dealing with these problems – but not quite as alarmist as other conversations, which means it's not hopeless. We have some room to address the sustainability challenge. But brought home that the engines that drive our economy are interested in working on a solution.
- Should we invite the high cost specialists to come talk with us to invite them to be part of the solution? We could invite the Executive Director of AK Physicians and Surgeons. Include Alaska Health Care Underwriters and HR Leadership Network Members.
- Money question is really a value question – what is the delta between what Alaskans are willing and able to pay and the "premium" of getting the procedures done in-state?
- ACA Updates: We shouldn't engage in questions and debates and commentary on the federal policy, but limit discussion to questions about State policy and impacts on the Alaska health care markets
- Telemedicine needs to be expanded, shared and used. The tribal system and state and private systems have opportunity to share and learn with each other.

NOTES 10-3-14: Meeting Follow-up

- To-Do List for Deb & Barb
  - Develop a Data Table for 2010 through current year for each year of our 3 main Vision metrics.
  - Post insurance data from Lori on web.
  - Include presentation on DHSS results-based budgeting and core service alignment on future Commission agenda.
  - Follow-up on outstanding 2014 Financial Disclosure Forms
  - Follow-up on biography updates/corrections for web
  - Follow-up on contact info updates/corrections

- Next Meetings
  - December 9 in Anchorage
  - February 5-6 in Juneau (tentative dates)

Clinical Quality Improvement

UPDATES

NOTES 10/3/14: Additional Follow-up and Meeting Evaluation

- Additional Follow-up:
  - Ask QI presenters for patient outcome data from initiatives (e.g., Fairbanks – newborn/infant outcomes)
  - Commissioner Morgan recommended Commission Members consider attending Southcentral Foundation's week-long Nuka Institute in the spring for a deeper dive into understanding the data-driven quality improvement model.
  - **VOTE:** Motion by Susan, 2nd by Bob: For draft action agenda for the Commission for 2015-2017 for release for public comment, add Core Strategy III, Pay for Value, policy recommendation #1 – Implement payment reform, to include care coordination (broadly defined). Motion passed unanimously.

- Wishes for Improvement for Next Meeting:
  - Voting would have been different after additional learning sessions
  - Provide members with link to transcripts after they are posted

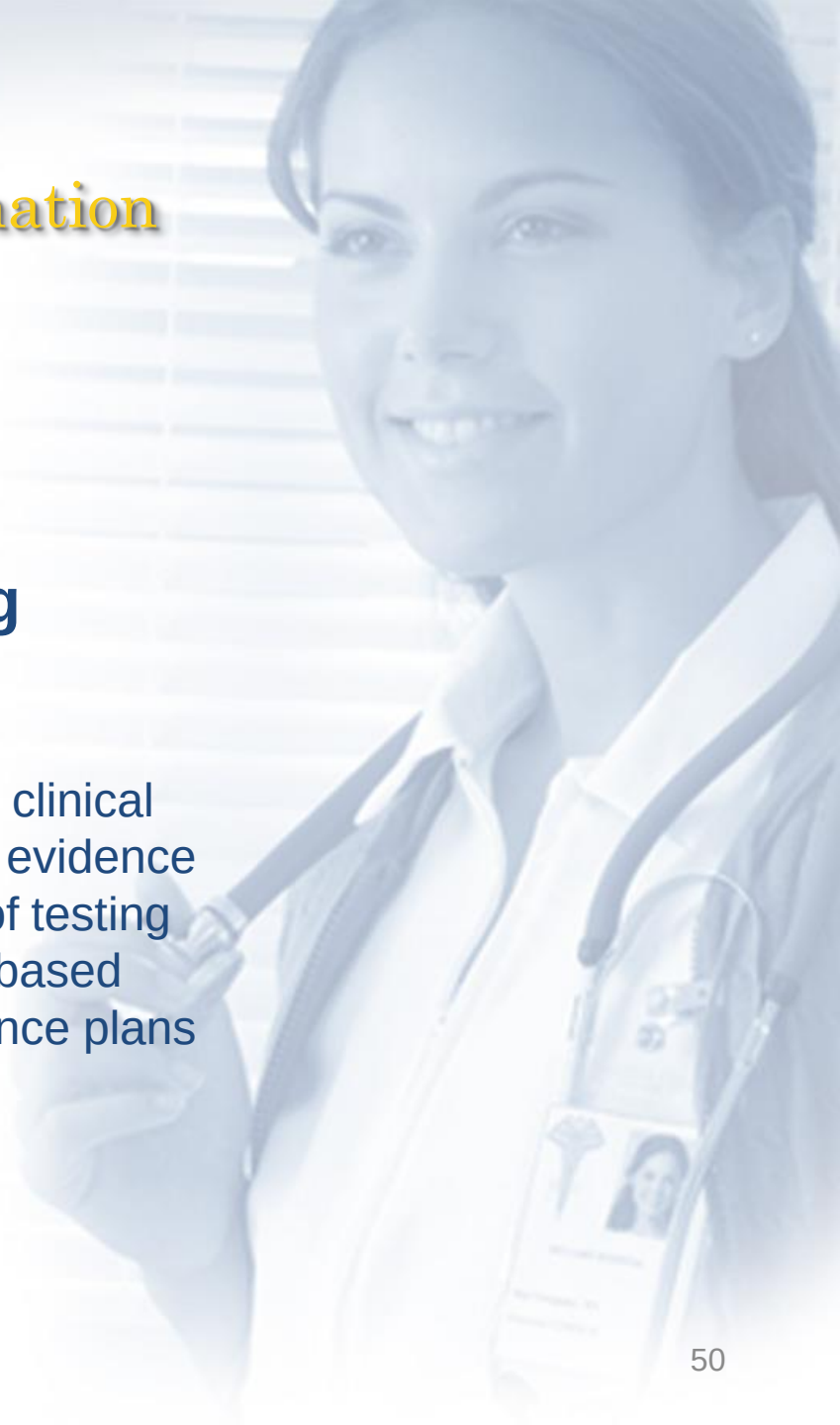
- Liked the most about this Meeting:
  - Hearing from the different companies and school district – understanding broader economic impact of health care
  - Process of picking the top strategies; but hope we don't forget the others
  - Sessions on quality; but not sure how to duplicate SCF approach in other regions/communities
  - Manner in which Mr. Holt guided us through prioritization process; taking us from 27 recommendations down to 15 down to 6
  - Southcentral Foundation Presentation


STATE OF ALASKA
HEALTH CARE COMMISSION
Thank You!

Core Strategies for Health Care Transformation

I. Ensure the best available evidence is used for making decisions

Support clinicians and patients to make clinical decisions based on high grade medical evidence regarding effectiveness and efficiency of testing and treatment options. Apply evidence-based principles in the design of health insurance plans and benefits.



Core Strategies for Health Care Transformation

II. Increase price and quality transparency

Provide Alaskans with information on how much their health care costs and how outcomes compare so they can become informed consumers and make informed choices. Provide clinicians, payers and policy makers with information needed to make informed health care decisions.

Core Strategies for Health Care Transformation

III. Pay for value

Redesign payment structures to incentivize quality, efficiency and effectiveness. Support multi-payer payment reform initiatives to improve purchasing power for the consumer and minimize the burden on health care providers.

Core Strategies for Health Care Transformation

IV. Engage employers to improve health plans and employee wellness

Support employers to adopt employee health and health insurance plan improvement as a business strategy. Start with price and quality transparency, and leadership by the State Department of Administration. Reform the Alaska Workers' Compensation Act.

Core Strategies for Health Care Transformation

V. Enhance quality and efficiency of care on the front-end

Strengthen the role of primary care providers, and give patients and their clinicians better tools for making health care decisions. Improve coordination of care for patients with multiple providers, and care management for patients with chronic health conditions. Improve Alaska's Trauma system.

Core Strategies for Health Care Transformation

VI. Increase dignity and quality of care for seriously ill patients

Support Alaskans to plan in advance to ensure health care and other end of life decisions are honored. Provide secure electronic access to advance directives. Encourage provider training and education in end-of-life care. Establish a process that engages seriously and terminally ill patients in shared treatment decision-making with their clinicians. Use telehealth and redesign reimbursement methods to improve access to palliative care.

Core Strategies for Health Care Transformation

VII. Focus on prevention

Create the conditions that support Alaskans to exercise personal responsibility for living healthy lifestyles. High priorities include reducing obesity rates, increasing immunization rates, and improving behavioral health status.

Core Strategies for Health Care Transformation

VIII. Build the foundation of a sustainable health care system

Create the information infrastructure required for maintaining and sharing electronic health information and for analysis of health care data to drive improved quality, cost and outcomes. Support an appropriate supply and distribution of health care workers. Provide statewide leadership to facilitate health care system transformation.